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SUBJECT: EU READOUT OF SOLANA VISIT TO TEHRAN

REF: A. BRUSSELS (USEU) 00924  
[1](#)B. STATE 64530

Classified By: Alyce Tidball, Deputy Political Minister Counselor for r  
easons 1.4 (b) and (d)

[1](#)1. (C/NF) SUMMARY. On June 17, EU Council contact characterized HiRep Solana's June 14 meetings in Tehran as "better than expected." FM Motaki insisted on linking Iran's response to the P5 1 incentives package to a P5 1 response to Iran's proposals, but Jalili said Iran would "carefully study" the offer and respond "soon." Contact hoped designation of Bank Melli could be achieved on Monday, June 23, but noted that the Germans have not yet committed to Monday's action, arguing that the Iranians should be given more time. France, the UK and the Council support proceeding with the designation on June 23, but the Slovenian Presidency is reluctant to proceed without EU-3 unanimity. END SUMMARY.

#### READOUT OF THE MEETINGS

[1](#)2. (C) On his departure for Tehran Solana was, according to contact, anxious and concerned that the meetings might even be called off. His meetings with Motaki and Jalili were confirmed, but his requests to meet with Larijani and the foreign policy advisor to the Supreme Leader were rejected on instructions from Ahmadinejad. The meetings with Motaki and Jalili lasted two hours each and included "good and frank discussions" on the seriousness of the offer and the seriousness of the P5 1 desire for a diplomatic and negotiated solution. Motaki insisted on linking Iran's response to the incentives package with a response from the P5 1 to Iran's May proposal for negotiations, saying Iran could not consider the offer of the six until they responded to Iran's proposal. Solana said the Iranian proposal contained nothing new and he would be ready to discuss only if Iran could suspend enrichment activity and respond to the offer of the six. Jalili, according to contact, attempted to make the same linkage, but Solana again insisted that without progress on suspension of enrichment activities the Iranian proposal could not be considered. Jalili said, in the end, that Iran would "carefully study" the incentives package and respond "soon." Motaki did not make that commitment, but according to contact, press reports on June 16 reported him as saying Iran would respond "in due time."

[1](#)3. (C/NF) Contact said presence of Chinese and Russian political directors at the meetings as part of the delegation

sent an important message to Iran that this is not just an EU initiative, but has the full backing of the P5. It was also important internally for the Russians and the Chinese to see, first hand, that Solana was serious and dedicated to the discussion. They were, according to contact, impressed with his preparation and his firm grasp of the technical details. The press conference, said contact, was successful in reaching out to a large number of media. The EU assessment of the impact so far is good, noting more nuanced language coming out of Tehran. COMMENT: Contact said Iran refused to send an FM-level representative to greet Solana at the airport. The resident German Ambassador did the honors instead. USEU assumes this was a deliberate snub on the GOI's part to pour salt in the EU's open wounds following the Irish referendum results, reminding Solana and the EU that they lack a full Foreign Minister. END COMMENT.

#### BRIEFING THE GAERC

¶4. (C) Solana briefed EU member state foreign ministers at the General Affairs and External Relations Council (GAERC) meeting in Luxembourg on Monday, June 16. He emphasized that the P5 1 will continue the two track approach, offering carrots, but continuing to use sticks until the Iranians are ready to move. Some member state FMs reportedly stressed that it was too early to gauge the success of the visit or the Iranian reaction. Others, supporting a move to more sanctions, said it was important to make it difficult for Iran to say no. Some FMs said the EU should make an effort to get a resolution in the IAEA in September. A number of FMs opined that Iran would stall and wait for the next U.S. administration to see if they might be more "flexible."

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#### NEXT STEPS

¶5. (C/NF) If there are no positive signals from Tehran, contact said, the EU will take action on designating Bank Melli, start discussions on implementing the remainder of UNSCR 1803, and discuss additional measures. In a worst case scenario he envisaged that Iran could insist on a clear linkage between the packages as a way to delay and gain time. This would lead to an EU negative assessment, which would pave the way for more action on the 2nd track side. Designation of Bank Melli could be adopted as early as Monday, June 23, but as of June 17 the Slovenian Presidency, according to contact, was still reflecting on giving more time for Iran to respond due to German equivalence. Paris, London and the Council Secretariat all support designation next week, but Berlin has yet to make up its mind. Contact noted that the designation of Bank Melli can always be adopted by silence procedure before the end of the Slovenian Presidency - if unanimity is achieved.

#### AUTONOMOUS MEASURES

¶6. (C/NF) Contact noted that Madrid, Vienna, Athens, Cyprus, and Sweden still need to be convinced of the need for EU autonomous measures. Italy, while perhaps a bit more inclined to support under Berlusconi than previously, is still Iran's main trading partner. Autonomous measures could directly increase unemployment in Italy, contact said, if enough SMEs were put out of business by the measure. If Madrid could be persuaded, said contact, the others would probably fall in line.

#### BRIEFING THE PSC

¶7. (C) Our contact said that EU Council Political Director Robert Cooper briefed the Political and Security Committee (PSC) on June 17. Cooper said the visit was "not unsuccessful," emphasizing the media attention it garnered. Asked about next steps on sanctions, Cooper clarified that oil and gas sanctions were not imminent, contrary to reports in the press. He confirmed that designation of Bank Melli was imminent and said the EU has a legal obligation to implement UNSC 1803. He recalled the EU position that until Iran agrees to the P5 1 offer, the EU will continue to apply pressure through increased sanctions.

FRENCH PRESIDENCY

18. (C) The French representation to the EU told our contact that President Sarkozy wants Iran at the top of the agenda for each GAERC meeting and he wants it to address all issues: nuclear, human rights, regional role (as a "trouble maker"), and support for terrorism. Sarkozy wants a comprehensive view on all the issues and the Council Secretariat, says contact, fully backs this approach.

19. (C./NF) COMMENT. As of June 17 designation of Bank Melli on June 23 was still not certain, as the Germans in Brussels were suggesting Iran needed more time to react. If Berlin supports the June 23 designation, the message had not yet been clearly relayed to Brussels. END COMMENT.  
Murray  
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